

Under our procurement policy, we closely collaborate with suppliers on the global stage by emphasizing openness, fairness, and equitability.





VOICE



Strengthening the Quality Control System for Meeting Demands in a Post-coronavirus World

We specialize in metal stamping and plastic molding and supply assembly parts for various standard cases and busbars.

We were deeply honored to receive the prestigious Cost Savings Award. We believe that it recognizes our efforts to improve the productivity of our production lines by meeting demand for high volume, quick delivery and vertical startup. We would like to express our gratitude once again for the ongoing guidance of Sumitomo Wiring Systems over the years.

The world is in crisis due to the COVID-19 pandemic. However, as in our triumphs over numerous infectious diseases in the past, humankind will surely be able to overcome the pandemic and create new value. Looking ahead to a postcoronavirus world, we will strengthen our quality control system so that we can further meet the demands of our customers.

| Japan | Kiyoshi Takemura President, Sanko Corporation

Procurement Policy

Our procurement activities reflect our commitment "Connect with the Best" and are conducted under the following policies.

- Provide open and fair opportunities
- 2 Adhere to basic principles of mutual understanding, mutual reliance, and mutual enlightenment
- 8 Establish global partnerships
- 4 Ensure legal compliance
- 6 Promote green procurement

CSR Procurement

Along with our purchase agreement, revised in April 2020, which includes clauses on CSR procurement and the exclusion of antisocial forces, we have distributed our CSR Guidelines for Suppliers, which clearly state our expectations and requests to our main suppliers. The guidelines also request that they promote CSR-related initiatives based on the viewpoint of SE+QCDD*¹. In fiscal 2019, we conducted our first CSR procurement survey with 118 major suppliers in Japan and received completed surveys from 101 of them. With the survey responses, we visited their sites to further investigate suppliers considered to pose a procurement risk, and we confirmed that there were no problems. We will conduct periodic surveys in Japan, expand the surveys overseas and provide suppliers with the necessary guidance and audits based on the results.

CSR Guidelines for Suppliers of the Sumitomo Wiring Systems https://www.sws.co.jp/resource/pdf/guideline_en.pdf

Efforts to Strengthen Compliance with the Subcontract Act

We have implemented initiatives to strengthen and promote appropriate transactions with our subcontractors in line with the revised Subcontract Act Operation Standards and revised promotion standards under the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises, which details rules concerning transactions between subcontracting companies and subcontractors governing price determination, cost bearing, and payment conditions.

Communication with Suppliers

Sumitomo Wiring Systems convenes the annual Global Suppliers Meeting to promote mutual trust with suppliers. There we provide an overview of our business environment of our harness business, share our procurement policy and key measures, and request the active commitment and initiative of our suppliers to make sure everyone is on the same page. We have also been making similar efforts overseas since fiscal 2018. The meeting includes an award ceremony recognizing outstanding suppliers based on a comprehensive evaluation conducted from standpoints including quality, cost, and delivery (QCD). Nine companies were recognized as outstanding suppliers for fiscal 2019.

Glossary

*1 Safety, environment + quality, cost, delivery, development